## "The Way to Go: Congestion Pricing for Metropolitan Chicago" Summary

Presented to ModeShift on February 28, 2008 by Tom Murtha Tmurtha "at" cmap.illinois.gov

In this presentation, Tom Murtha explained some of the challenges facing the metropolitan Chicago's transportation system, and how congestion pricing can be part of the mix of solutions. In particular, congestion pricing can be an important component of a regional effort to reduce greenhouse gas emissions. Mr. Murtha explained a number of the options to apply the concept of congestion pricing to address transportation system challenges, including climate change.

Transportation system challenges are inter-related, and directly concern sustainability. First, the transportation system faces congestion that is extensive in scale, severe in scope, and pervasive in time-frame. This congestion feeds into economic and social costs, including environmental degradation. Partly because of congestion, transportation is responsible for 31% of regional greenhouse gas emissions. Transportation accounts for 73% of state-wide petroleum consumption. Limited supplies of gasoline have led to price spikes, which have stagnated gasoline demand and motor fuel tax revenues. Stagnant revenues have, in turn, reduced the ability to address congestion and even system maintenance in the face of substantially higher construction costs. These higher construction costs are at least partly related to higher petroleum costs.

Continued attempts to manage the transportation system by only relying on supply management – engineering and constructing more infrastructure – is not likely to give a different result than we've seen in the past. Hoping to do so with stagnant or declining motor fuel taxes may be doubly foiled.

The transportation system needs additional revenues. We need to raise these revenues strategically to improve system performance.

Mr. Murtha reviewed congestion pricing alternatives. Such alternatives include direct road pricing. Road pricing might mean managing one or more lanes or even an entire facility using the price mechanism. Alternatively, road pricing can be deployed to price travel to or within a cordon line, or might even be deployed one day on an area-wide basis using newly available

communications technology. Deploying congestion pricing on a freeway would have substantial benefits on that facility, but care must be taken to avoid simply moving congestion from one facility to local streets. Cordon pricing brings the challenge of maintaining a balance of economic development in and out of the cordon line. However, more widespread application of congestion pricing to address these concerns faces technical hurtles.

Another option for congestion pricing applicable to urban settings is parking pricing. This pricing can take many forms, but needs to be directed to the traveler to have a substantial positive impact on system performance. New parking management innovations integrate pricing into a larger plan for using parking to meet community needs. Revenues from the parking, in turn, can also be plowed back into these community infrastructure and service needs.

A last important point about congestion pricing, regardless of the particular application, is that effective pricing requires a transportation system that offers substantial traveler options, such as good transit, walking and bicycling options, and numerous route choices, particularly for through travelers. Congestion pricing without such alternatives is no more than a tax. These travel alternatives are required to make congestion pricing work.

In summary, several forms of congestion pricing are promising means to address sustainability issues, including greenhouse gas emissions. Congestion pricing is a demonstrated and effective mechanism to moderate travel demand. However, it requires viable travel alternatives to the priced travel, including alternative routes, transit, bicycling, and walking.